

1948

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INFORMATION REPORT

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COUNTRY Ecuador

SUBJECT Possible French Investment in Ecuador

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1. The following miscellaneous information has been received regarding the investment of French capital in Ecuador. Andre Munschy on several occasions in the last two months has stated that his firm in Europe hopes to invest many millions of dollars in Ecuador as soon as the political situation is more stable and would warrant such action. Munschy also advised that the following projects had been submitted to Andre Mutter in Paris for his approval:

- A loan to the National Railroads of several millions. In addition to the loan, it was contemplated that certain Swiss implements and machinery be included.
- The construction of a factory in A. bato for canning Ecuadoran Fruit.
- The construction of a powder milk and egg factory.
- The construction of an alcohol distillery in Tulcan for the manufacture of imitation French liquors.
- The construction of a cement factory in Richamba.
- The exploitation of prospective tin deposits in the north of Ecuador.
- The purchase of a large tract of land on the Island of Puna near Guayaquil on which to build a sawmill for the preparation of railroad ties. Mutter is said to have already completed a contract with the British Government for the delivery of said ties.

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- In addition to these projects, Munschy stated that his firm was contracting for about eighty engineers and technicians in Europe to go to Ecuador to carry out this work.
- Munschy advised that a representative of his firm in Europe arrived in Quito overnight on 27 July 1948 on his way to Peru. This unknown individual will supervise the firm's investment activities in Peru.
- On or about 27 June 1948, Fausto Carnigniani, an associate of Munschy in Guayaquil, reportedly delivered an unknown number of diamonds to Munschy in Quito. It was stated that they had just arrived from Europe and that four of the diamonds are valued

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5. Philippe Guignabaudet, a prominent French international financier presently in Ecuador, has been actively engaged in the past few weeks in establishing the ground work for the eventual construction of a tuna fish cannery on the Galapagos Islands. Guignabaudet indicated that the Ecuadoran Government is interested in granting him a contract. It is expected that European funds will be used for this project and that all the equipment will be purchased from the United States. According to the French Legation, Guignabaudet has been invited to participate in national economic and financial matters as an outside expert on the subject.
6. Dr. Antonio Parra Velasco, Ecuadoran Minister of Foreign Relations, has taken a keen personal interest in the investment of French funds in Ecuador. It is reported that upon his retirement from public office, he will devote full time to these projects.
7. Captain Jean Marie Bressand, head of the French Agricultural and Colonization Mission to Ecuador, left Ecuador for France upon learning that the Ecuadoran Economic Council had disapproved his proposal to purchase the Hacienda Pichilingua.

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